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AMENDED IN SENATE JUNE 23, 1999
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AMENDED IN ASSEMBLY FEBRUARY 4, 1999

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

ASSEMBLY BILL

No. 34

Introduced by Assembly Members Steinberg and Baugh

(Principal coauthor: Senator Burton)

(Coauthors: Assembly Members Alquist, Calderon, Cedillo, Gallegos, Hertzberg, Honda, Jackson, Keeley, Kuehl, Lowenthal, Mazzoni, Romero, Strom-Martin, Thomson, and Washington)

(Coauthors: Senators Alpert, Baca, Chesbro, Johnston, Perata, and Solis)

December 7, 1998

An act to amend Sections 5802, 5806, and 5814 of, *and to add Section 5809.5 to*, the Welfare and Institutions Code, relating to mental health, ~~making an appropriation therefor~~, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 34, as amended, Steinberg. Mental health funding: local grants.

Existing law provides for the allocation of state funds to counties for mental health programs.

This bill would make various statements of legislative findings and intent regarding the need to provide sufficient funds to counties for adult mental health and related services.

Existing law requires the State Department of Mental Health to establish service standards relating to mental health services. These standards are required to include, among other things, plans for services and evaluation strategies.

This bill would also require these standards to include coordination and access to related medications, substance abuse services, housing assistance, vocational rehabilitation, and veterans' services.

~~The bill would also provide for the award, by the department, of planning grants, outreach grants, and service expansion grants to counties for adult mental health programs.~~

~~The bill would appropriate funds to provide planning grants, outreach grants, and expansion grants for counties with significant populations of homeless mentally ill persons through the 2000-01 fiscal year.~~

This bill would require the department to select a small group of counties or portions of counties for eligibility for demonstration grants to be used to provide comprehensive services to certain adults who are severely mentally ill. The bill would require the director to establish a methodology for awarding these grants and to establish a designated advisory committee.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: ²/₃. Appropriation: ~~yes~~ *no*. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of
2 the following:



1 (a) Recent estimates indicate that there are 50,000
2 homeless severely mentally ill Californians, including
3 10,000 to 20,000 homeless mentally ill veterans.

4 (b) Presently there are no financial incentives for
5 counties to provide outreach to homeless mentally ill
6 adults to increase the number of people they serve with
7 severe mental illness.

8 (c) County dollars are generally fixed, so that
9 treatment of a higher than expected number of Medi-Cal
10 recipients, who are entitled to treatment by the county,
11 reduces the amount of funds available to serve other
12 individuals.

13 (d) Counties should be provided an amount of funds
14 to establish systems of care for severely mentally ill adults,
15 and provide mental health services and related
16 medications, substance abuse services, housing assistance,
17 vocational rehabilitation, and other nonmedical
18 programs necessary to stabilize homeless mentally ill
19 persons, get them into regular treatment or access to
20 veterans' services, and off the streets.

21 (e) When people who suffer from severe mental
22 illness do not have access to the services they require they
23 frequently wind up in the criminal justice system.
24 However, those who receive extensive community
25 treatment are much less frequently incarcerated. The
26 Department of Corrections is expending \$400 million
27 annually for the incarceration and treatment of people
28 suffering from severe mental illness. In addition, the
29 Department of Corrections and the criminal justice
30 system are responsible for the placement of more than
31 3,000 of the total of approximately 4,500 persons in the
32 state mental hospitals, for an additional annual state cost
33 of over \$300 million.

34 (f) People suffering from severe mental illness receive
35 sentences that are frequently longer than those received
36 by others convicted of the same crimes.

37 (g) There are insufficient funds or programs to ensure
38 that people suffering from severe mental illness can
39 receive the treatment they need.

(h) Increasing funding for an adult mental health system of care will result in significantly reduced Department of Corrections, criminal justice system, and local law enforcement expenditures for people with severe mental illness.

SEC. 2. Section 5802 of the Welfare and Institutions Code is amended to read:

5802. (a) The Legislature finds that a mental health system of care for adults and older adults with severe and persistent mental illness is vital for successful management of mental health care in California. Specifically:

(1) A comprehensive and coordinated system of care includes community-based treatment, outreach services and other early intervention strategies, case management, and interagency system components required by adults and older adults with severe and persistent mental illness.

(2) Mentally ill adults and older adults receive service from many different state and county agencies, particularly criminal justice, employment, housing, public welfare, health, and mental health. In a system of care these agencies collaborate in order to deliver integrated and cost-effective programs.

(3) The recovery of persons with severe mental illness and their financial means are important for all levels of government, business, and the community.

(4) System of care services which ensure culturally competent care for persons with severe mental illness in the most appropriate, least restrictive level of care are necessary to achieve the desired performance outcomes.

(5) Mental health service providers need to increase accountability and further develop methods to measure progress towards client outcome goals and cost effectiveness as required by a system of care.

(b) The Legislature further finds that the ~~integrated service agency model developed in Los Angeles and Stanislaus Counties and the countywide systems model developed in Ventura County~~ *adult system of care model*, beginning in the 1989-90 fiscal year through the

1 implementation of Chapter 982 of the Statutes of 1988,
2 ~~provide~~ *provides* models for managing care for adults and
3 older adults with severe mental illness, and ~~have~~ *has*
4 successfully met the performance outcomes required by
5 the Legislature.

6 (c) The Legislature also finds that the system
7 components established in adult systems of care are of
8 value in providing greater benefit to adults and older
9 adults with severe and persistent mental illness at a lower
10 cost in California.

11 (d) Therefore, using the guidelines and principles
12 developed under the demonstration projects
13 implemented under the adult system of care legislation
14 in 1989, it is the intent of the Legislature to accomplish the
15 following:

16 (1) Encourage each county to implement a system of
17 care as described in this legislation for the delivery of
18 mental health services to seriously mentally disordered
19 adults and older adults.

20 (2) To promote system of care accountability for
21 performance outcomes which enable adults with severe
22 mental illness to reduce symptoms which impair their
23 ability to live independently, work, maintain community
24 supports, care for their children, stay in good health, not
25 abuse drugs or alcohol, and not commit crimes.

26 (3) Maintain funding for the existing ~~programs~~
27 ~~developed in Los Angeles, Stanislaus, and Ventura~~
28 ~~Counties~~ *pilot adult system of care programs that meet*
29 *contractual goals* as models and technical assistance
30 resources for future expansion of system of care programs
31 to other counties as funding becomes available.

32 (4) Provide sufficient funds for counties to establish
33 outreach programs and to provide mental health services
34 and related medications, substance abuse services,
35 supportive housing or other housing assistance,
36 vocational rehabilitation, and other nonmedical
37 programs necessary to stabilize homeless mentally ill
38 persons or mentally ill persons at risk of being homeless,
39 get them off the street, and into treatment and recovery,

1 or to provide access to veterans' services that will also
2 provide for treatment and recovery.

3 SEC. 3. Section 5806 of the Welfare and Institutions
4 Code is amended to read:

5 5806. The State Department of Mental Health shall
6 establish service standards that ensure that members of
7 the target population are identified, and services
8 provided to assist them to live independently, work, and
9 reach their potential as productive citizens. The
10 department shall provide annual oversight of grants
11 issued pursuant to this part for compliance with these
12 standards. These standards include but are not limited to:

13 (a) A service planning process that is target
14 population based and includes the following:

15 (1) Determination of the numbers of clients to be
16 served and the programs and services that will be
17 provided to meet their needs. The local director of
18 mental health shall consult with the sheriff, the police
19 chief, the probation officer, the mental health board,
20 contract agencies, and family, client, ethnic and citizen
21 constituency groups as determined by the director.

22 (2) Plans for services including outreach, design of
23 mental health services, coordination and access to
24 medications, substance abuse services, *supportive*
25 *housing or other* housing assistance, ~~supportive housing~~
26 ~~or other~~ vocational rehabilitation, and veterans' services.
27 Plans shall also contain evaluation strategies, which shall
28 consider cultural, linguistic, gender, age, and special
29 needs of minorities in the target populations. Provision
30 shall be made for staff with the cultural background and
31 linguistic skills necessary to remove barriers to mental
32 health services due to limited English speaking ability
33 and cultural differences.

34 (3) Provisions for services to meet the needs of target
35 population clients who are physically disabled.

36 (4) Provision for services to meet the special needs of
37 older adults.

38 (5) Provision for family support and consultation
39 services, parenting support and consultation services, and



1 peer support or self-help group support, where
2 appropriate.

3 (b) Each client shall have either a clearly designated
4 mental health case manager or a multidisciplinary
5 treatment team who is responsible for providing or
6 assuring needed services. Responsibilities include
7 complete assessment of the client's needs, development
8 of the client's personal services plan, linkage with all
9 appropriate community services, monitoring of the
10 quality and follow through of services, and necessary
11 advocacy to ensure each client receives those services
12 which are agreed to in the personal services plan. Each
13 client shall participate in the development of his or her
14 personal services plan, and responsible staff shall consult
15 with the designated conservator and, with the consent of
16 the client, consult with the family and other significant
17 persons as appropriate.

18 (c) The individual personal services plan shall ensure
19 that members of the target population involved in the
20 system of care receive age, gender, and culturally
21 appropriate services, to the extent feasible, that are
22 designed to enable recipients to:

23 (1) Live in the most independent, least restrictive
24 housing feasible in the local community.

25 (2) Engage in the highest level of work or productive
26 activity appropriate to their abilities and experience.

27 (3) Create and maintain a support system consisting of
28 friends, family, and participation in community activities.

29 (4) Access an appropriate level of academic education
30 or vocational training.

31 (5) Obtain an adequate income.

32 (6) Self-manage their illness and exert as much control
33 as possible over both the day-to-day and long-term
34 decisions which affect their lives.

35 (7) Access necessary physical health care and
36 maintain the best possible physical health.

37 (8) Reduce or eliminate antisocial or criminal
38 behavior and thereby reduce or eliminate their contact
39 with the criminal justice system.

1 (9) Reduce or eliminate the distress caused by the
2 symptoms of mental illness.

3 (10) Have freedom from dangerous addictive
4 substances.

5 SEC. 4. Section 5809.5 is added to the Welfare and
6 Institutions Code, to read:

7 5809.5. (a) In 1999–00 fiscal year, the State
8 Department of Mental Health shall select a small group
9 of counties or portions of counties that demonstrate that
10 they can provide comprehensive services as set forth in
11 this part to a substantial number of adults who are
12 severely mentally ill, who are homeless, recently released
13 from a county jail or the state prison, or others who are
14 untreated, unstable, and at significant risk of
15 incarceration or homelessness unless treatment is
16 provided. In selecting counties, the department shall look
17 to those that are best able to maximize the number of
18 additional severely mentally ill adults that the county can
19 serve with both these funds and a mentally ill offender
20 crime reduction grant.

21 (b) (1) Eligible counties shall be those that have
22 existing programs that meet the criteria of the adult
23 system of care as set forth in Section 5806 that include one
24 or more programs. Each program shall provide all of the
25 services specified in paragraph (2) of subdivision (a) of
26 Section 5806, and homeless outreach programs, both of
27 which can be expeditiously expanded to meet the needs
28 of those who are not currently being treated and may be
29 homeless or incarcerated, or untreated and unstable and
30 at risk of homelessness or incarceration.

31 (2) An eligible county that has not yet received the
32 mentally ill offender crime reduction grants may also
33 participate in these demonstration grants by committing
34 an amount of new county general fund dollars not
35 currently expended for mental health care comparable to
36 the amount the county would receive if it had been
37 successful in receiving a mentally ill offender crime
38 reduction grant.

39 (3) The department may provide a grant to only a
40 portion of a county's population and territory if the grant

1 funds are clearly allocated to a specific geographic area
2 that is easily identifiable and separated from other
3 significantly populated areas within the county.

4 (4) All counties, with or without mentally ill offender
5 crime reduction grants, shall also assure that funds
6 provided by this grant are used to provide new services
7 and that none of these funds are used to supplant existing
8 services to seriously mentally ill adults. The department
9 shall develop methods and contractual requirements to
10 assure that no supplantation occurs with funds provided
11 to counties pursuant to this section.

12 (c) Each selected county shall do all of the following:

13 (1) Provide data demonstrating the success of the
14 county's existing adult system of care programs.

15 (2) Specify the additional numbers of severely
16 mentally ill adults to whom the county will provide
17 comprehensive services for each one million dollars
18 (\$1,000,000) of additional funding that may be awarded
19 through a grant.

20 (3) Agree to provide services in accordance with
21 Section 5806.

22 (d) The department shall select counties or areas that
23 best demonstrate the following:

24 (1) That the county's share of the ten million dollars
25 (\$10,000,000) will allow the county to cost effectively
26 increase the number of severely mentally ill adults that
27 the county is serving from program inception to June
28 2001.

29 (2) The county will serve such a substantial
30 percentage of the unmet needs of severely mentally ill
31 adults that there is a clear quantifiable impact on the
32 need.

33 (3) The ability to reasonably predict how much
34 additional funding would be required to serve all severely
35 mentally ill adults in the county or area.

36 (4) A quantifiable impact on all aspects of the criminal
37 justice system and law enforcement resources currently
38 being expended on severely mentally ill adults.

39 (e) The Department of Corrections and the county
40 mental health director for any area selected for this

1 program shall develop a coordinated strategy to
2 maximize the efficiency and cost effectiveness of services
3 to severely mentally ill parolees and may enter into
4 agreements providing for the use of funds for parole
5 outpatient programs to be utilized to supplement funds
6 for this program in order to most effectively and
7 efficiently provide mental health care and related
8 services that increase treatment compliance and reduce
9 recidivism.

10 (f) The department shall expend five hundred
11 thousand dollars (\$500,000) to consult with the
12 committee specified in paragraph (3) of subdivision (a)
13 of Section 5814 and to work with the Department of
14 Finance, the Department of Corrections, the Board of
15 Corrections, state associations representing law
16 enforcement and local government, and the Legislative
17 Analyst to measure the cost of comprehensive
18 community mental health care and the impact of
19 increased community mental health care on criminal
20 justice system law enforcement expenditures associated
21 with people with mental illness.

22 (g) It is the intent of the Legislature that sufficient
23 appropriations be made in the 2000–01 fiscal year and
24 subsequent fiscal years to continue these demonstration
25 programs and to establish new programs so long as
26 counties are demonstrating that these programs are
27 successful in treating severely mental ill adults and cost
28 effectively reducing their hospitalizations, homelessness,
29 and incarcerations.

30 (h) For purposes of this section, “severely mentally ill
31 adults” are those individuals described in subdivision (b)
32 of Section 5600.3.

33 SEC. 5. Section 5814 of the Welfare and Institutions
34 Code is amended to read:

35 5814. (a) (1) This part shall be implemented only to
36 the extent that funds are appropriated for purposes of this
37 part. To the extent that funds are made available, the first
38 priority shall go to maintain funding for the existing
39 ~~programs developed in Los Angeles, Stanislaus, and~~

~~Ventura Counties. programs that meet adult system of care contract goals.~~

(2) The director shall establish a methodology for awarding grants under this part consistent with the legislative intent expressed in Section 5802, and in consultation with the advisory committee established in this subdivision.

(3) The director shall establish an advisory committee for the purpose of providing advice regarding the development of criteria for the award of grants, and the identification of specific performance measures for evaluating the effectiveness of grants. The committee shall include, but not be limited to, representatives from state, county, and community veterans' services and disabled veterans outreach programs, supportive housing and other housing assistance programs, law enforcement, county mental health and private providers of local mental health services and mental health outreach services, the Board of Corrections, the State Department of Alcohol and Drug Programs, local substance abuse services providers, the Department of Rehabilitation, and providers of local employment services. ~~The services, the Mental Health Association of California, the California Alliance for the Mentally Ill, the California Network of Mental Health Clients, and the Mental Health Planning Council.~~

(4) The criteria for the award of grants shall include, but not be limited to, all of the following:

(A) A description of a comprehensive strategic plan for providing outreach, prevention, intervention, and evaluation in a cost appropriate manner corresponding to the criteria specified in ~~subparagraph (C) of paragraph (1) of subdivision (b).~~ *subdivision (c).*

(B) A description of the local population to be served, ability to administer an effective service program, and the degree to which local agencies and advocates will support and collaborate with program efforts.

~~(C) Memoranda of understanding for referral and coordination with county probation program parolees and all severely mentally ill individuals being released~~

1 from custody of the sheriff, the Department of the Youth
2 Authority, or the Department of Corrections.
3 Memoranda of understanding with local housing and
4 redevelopment agencies and other programs to provide
5 housing assistance and other appropriate interagency
6 coordination.

7 (D) Mechanisms to award grants in a manner that
8 supports better performance by counties by restricting
9 the availability and level of grants for counties based on
10 the extent to which the current number of people
11 receiving extensive community mental health services
12 with funds provided other than through this part in the
13 county are significantly below those of other comparably
14 sized counties with comparable resources, and by
15 rewarding counties who are able to provide extensive
16 community mental health services to more people within
17 other available resources.

18 (b) As funds become available, this program shall be
19 expanded to provide training and funding for counties
20 with significant populations of homeless mentally ill
21 persons, which may include the following types of grants:

22 (1) Strategic planning grants for new counties to
23 create, and for existing system of care counties to expand,
24 an adult system of care that meets the requirements of
25 this part.

26 (A) Strategic planning grants shall require a strategy
27 committee composed of, but not limited to,
28 representatives of the local government and private
29 providers of housing assistance, mental health services,
30 outreach for mental health services, veterans' services,
31 outreach to disabled veterans, law enforcement,
32 substance abuse services and employment services. An
33 existing local committee may be utilized to serve as this
34 strategy committee if it includes or is expanded to include
35 the required representation.

36 (B) The strategy committee shall develop a
37 comprehensive plan for providing services pursuant to
38 this part. The strategic plan shall be suitable to form the
39 basis for a performance-based contract with the
40 department.

~~(C) The strategic plan~~

(b) In each year in which additional funding is provided by the State Budget the department shall establish demonstration programs that offer individual counties sufficient funds to comprehensively serve severely mentally ill adults who are homeless, recently released from a county jail or the state prison, or others who are untreated, unstable, and at significant risk of incarceration or homelessness unless treatment is provided to them and who are severely mentally ill adults. For purposes of this subdivision, 'severely mentally ill adults' are those individuals described in subdivision (b) of Section 5600.3.

(c) Each demonstration project shall identify specific outcome and performance measures and annual reporting that will allow the department to evaluate, at a minimum, the effectiveness of the strategies in providing successful outreach and reducing homelessness, and involvement with local law enforcement, and other measures identified by both the department and the strategy committee. The outcome and performance measures shall include, but not be limited to, all of the following:

~~(i)–~~

(1) The number of persons served, and of those, the number who are able to maintain housing, and the number who receive extensive community mental health services for at least four months in a six-month period.

~~(ii)–~~

(2) The number of persons with contacts with local law enforcement and the extent to which local and state incarceration has been reduced.

~~(iii)–~~

(3) The number of persons able to demonstrate an increase in stability of income including competitive employment.

~~(iv)–~~

(4) The number of persons contacted in outreach efforts who appear to be severely mentally ill, as described in Section 5600.3, who have refused treatment

1 after completion of all applicable outreach measures set
2 forth in the strategic plan.

3 ~~(2) Four-year outreach~~

4 *(d) Each demonstration project shall include outreach*
5 *and service grants in accordance with a contract between*
6 *the state and approved counties that reflects the number*
7 *of anticipated contacts with people who are homeless or*
8 *at risk of homelessness, and the number of those who are*
9 *severely mentally ill and who are likely to be successfully*
10 *referred for treatment and will remain in treatment until*
11 *successfully discharged.*

12 ~~(3) (A) Four-year service expansion grants in~~
13 ~~accordance with a contract between the state and~~
14 ~~approved counties that provides a formula for annual~~
15 ~~increased funding reflecting net increases in the total~~
16 ~~annual number of severely mentally ill adults, as~~
17 ~~described in Section 5600.3, who receive extensive~~
18 ~~community mental health services in at least four months~~
19 ~~in a six-month period. As used in this section, "receiving~~
20 ~~extensive community mental health services" means~~
21 ~~having a case manager as described in subdivision (b) of~~
22 ~~Section 5806, having an individual personal service plan~~
23 ~~as described in subdivision (c) of Section 5806, and~~
24 ~~receiving service pursuant to that plan in four months of~~
25 ~~a six-month period.~~

26 ~~(B) The formula incentive funding provided pursuant~~
27 ~~to subparagraph (A) shall be sufficient to provide mental~~
28 ~~health services, medically necessary medications to treat~~
29 ~~severe mental illnesses, alcohol and drug services,~~
30 ~~supportive housing and other housing assistance,~~
31 ~~vocational rehabilitation, money management assistance~~
32 ~~for accessing other health care and obtaining federal~~
33 ~~income and housing support, accessing veterans' services,~~
34 ~~and stipends to attract and retain sufficient numbers of~~
35 ~~qualified professionals as necessary to provide the~~
36 ~~necessary levels of these services. These grants shall,~~
37 ~~however, pay for only the portion of the costs of those~~
38 ~~services not likely to be provided by federal funds or~~
39 ~~other state funds. The amount of the grants may be~~
40 ~~increased to reward counties that are providing extensive~~

1 community mental health services to significantly more
2 severely mentally ill adults, with funds other than those
3 provided pursuant to this part, relative to other
4 comparable counties based on size, location, and
5 resources, and may be decreased to penalize counties,
6 and in some cases make them ineligible for participation
7 in these grants, if the numbers of severely mentally ill
8 adults to whom a county is providing extensive
9 community mental health services relative to its size,
10 location, and resources are significantly below that of
11 other comparable counties.

12 (C) Grants provided pursuant to subparagraph (A)
13 shall include provisions measuring the base level of the
14 number of people suffering from severe mental illness
15 who are arrested and serve in jail, prison, or a state
16 hospital as a result of their arrest in the applicable county,
17 and measuring how the grant and increased mental
18 health services provided by the grant reduces the portion
19 of criminal justice system resources required to be
20 expended on people with severe mental illness. Grants
21 shall also include a projection of the number of persons to
22 be served annually. Beginning in the 2002-03 fiscal year,
23 funding shall be based upon each county's successful
24 demonstration that the county has served the number of
25 adults projected for the prior fiscal year.

26 (D) Four-year outreach grants, provided pursuant to
27 paragraph (2), may be renewed upon their expiration
28 provided that the applicant county demonstrates to the
29 satisfaction of the department that the outreach services
30 are successfully reaching and bringing into treatment the
31 numbers of persons projected in the contract. The
32 contract may be modified as necessary based upon the
33 results being achieved, both in the outreach program and
34 in the program expansion grant.

35 (E) Four-year program expansion grants provided
36 pursuant to subparagraph (A) may be renewed upon
37 their expiration, provided that the applicant county
38 demonstrates to the satisfaction of the department that
39 the services provided are successfully reducing the
40 unmet mental health need and providing for reduction in

~~1 the amount of law enforcement, criminal justice system,
2 and state corrections expenditures that would otherwise
3 be expended upon persons with severe mental illness
4 from the applicable county in accordance with a process
5 included in the grant for measuring these reductions and
6 setting forth benchmarks for reducing the expenditures
7 as mental health expenditures increase, and for meeting
8 other performance objectives established in the contract.
9 The benchmarks for reduction in incarceration rates shall
10 require each county to reduce incarceration rates by 20
11 percent or more over the four year period.~~

~~12 (F) In any county in which the director determines
13 the program has not resulted in a reduction of criminal
14 justice expenditures or is not meeting other performance
15 benchmarks in accordance with the previous four year
16 grant, the director may limit the funds available for a
17 continuation of the grant, or an expansion of the grant, or
18 impose other conditions upon the grant in order to
19 improve the performance of the county in reducing the
20 incarceration of people suffering from severe mental
21 illness.~~

~~22 (G)~~

~~23 (e) On or before November 1, 2001, and annually
24 thereafter, the director shall report to the Legislature
25 regarding the impact of grants funded pursuant to this
26 section in reducing the incarceration of people suffering
27 from severe mental illness, and make recommendations
28 to the Legislature regarding how counties can improve
29 their performance and whether state policies regarding
30 severe mental illness should be changed. The director
31 may establish standards and a reporting format for county
32 reports to the director on annual progress toward
33 attaining expansion grant goals.~~

~~34 (e)~~

~~35 (f) Contracts awarded pursuant to this part shall be
36 exempt from the Public Contract Code and the state
37 administrative manual and shall not be subject to the
38 approval of the Department of General Services.~~

~~39 (d)~~

(g) Notwithstanding any other provision of law, funds awarded to counties pursuant to this part and Part 4 (commencing with Section 5850) shall not require a local match in funds. However, counties shall demonstrate a maintenance of effort in adult and childrens' mental health services.

(e) No county shall reduce existing system-of-care or Bronzan-McCorquodale service funds provided under this part and Part 4 (commencing with Section 5850) if adult or childrens' system-of-care funds are accepted by the county.

SEC. 5. (a) The sum of twelve million dollars (\$12,000,000) is hereby appropriated from the General Fund to the State Department of Mental Health. Five hundred thousand dollars (\$500,000) shall be allocated for training, by or through the programs established pursuant to subdivision (a) of Section 5814 of the Welfare and Institutions Code. Five hundred thousand dollars (\$500,000) shall be allocated for training to counties in homeless outreach to be offered through an organization with significant success with homeless outreach programs, and two million dollars (\$2,000,000) shall be allocated for grants to counties for implementation of paragraph (1) of subdivision (b) of Section 5814 of the Welfare and Institutions Code during the 1999-2000 fiscal year. Nine million dollars (\$9,000,000) shall be allocated for implementation of paragraphs (2) and (3) of subdivision (b) of Section 5814 of the Welfare and Institutions Code for grants to counties that enter into contracts to establish or expand their programs on or before April 1, 2000.

(b) The sum of forty one million dollars (\$41,000,000) is hereby appropriated from the General Fund for the 2000-01 fiscal year to the State Department of Mental Health for implementation of paragraph (2) of subdivision (b) of Section 5814 of the Welfare and Institutions Code.

(c) The State Department of Mental Health shall allocate to counties, from the amount appropriated pursuant to subdivision (a), for the first year of initial

~~1 grants to counties, the amount projected by each county
2 that would be required to fund first year costs pursuant
3 to paragraph (2) of subdivision (b) of Section 5814 of the
4 Welfare and Institutions Code. If the total of the
5 projected first-year costs of all counties exceeds the
6 maximum appropriation, each county shall receive a
7 percentage of the maximum appropriation equal to that
8 county's percentage of the total projected costs for all
9 counties.~~

~~10 (d) It is the intent of the Legislature that the amounts
11 appropriated to the State Department of Mental Health
12 for the second and all subsequent fiscal years of funding
13 for expansion of the county mental health programs
14 pursuant to Section 5814 of the Welfare and Institutions
15 Code, shall be allocated to counties based on the actual
16 amounts due under the contract with the applicable
17 county for the actual net increases in the number of
18 persons served during the prior fiscal year, adjusted by
19 the amount that the allocation to the county in the prior
20 fiscal year was greater or less than the amount required
21 to fund the county for the actual increase in number of
22 persons served. If the total amount of the allocations due
23 to all counties would exceed the previous year's
24 appropriation by more than fifty million dollars
25 (\$50,000,000) for that year, each county shall receive a
26 percentage of a fifty million dollar (\$50,000,000) increase
27 over the previous year's appropriation equal to that
28 county's percentage of the total costs for all counties for
29 that year. The balance of each county's costs shall be paid
30 to that county in the following fiscal year to the extent
31 funds are available.~~

~~32 (e) Of the amounts appropriated each year, five
33 hundred thousand dollars (\$500,000) shall be allocated to
34 departmental support for administrative costs associated
35 with the programs described in this section. *match in*
36 *funds.*~~

~~37 SEC. 6. This act is an urgency statute necessary for the
38 immediate preservation of the public peace, health, or
39 safety within the meaning of Article IV of the~~

1 Constitution and shall go into immediate effect. The facts
2 constituting the necessity are:

3 In order for the State Department of Mental Health to
4 have the program established and grants awarded within
5 the time frames set forth in this act, and to ensure that the
6 state is able to begin promptly achieving reductions in
7 incarceration and homelessness in accordance with this
8 measure, it is essential that this act take effect
9 immediately.

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